

Message Text

LIMITED OFFICIAL USE

PAGE 01 ROME 11327 121454Z
ACTION IO-14

INFO OCT-01 EPG-02 AGRE-00 USIA-06 AID-05 EB-07 AF-10
ARA-10 EA-07 EUR-12 NEA-10 COME-00 ISO-00 TRSE-00
L-03 OMB-01 ABF-01 /089 W
-----021324 121822Z /47

R 121354Z JUL 77
FM AMEMBASSY ROME
TO SECSTATE WASHDC 5812
INFO AMEMBASSY LONDON
USMISSION GENEVA

LIMITED OFFICIAL USE ROME 11327

FODAG

E.O. 11652: N/A
TAGS: ETEL, ITU, AORG, UN, PORG, IMCO, ICO, FAO
SUBJECT: US AGREEMENTS WITH UN SYSTEM ORGANIZATIONS RE
REIMBURSEMENT OF US INCOME TAX

REF: (A) STATE 100078 (B) LONDON 06877 (C) STATE 154600

1. PETER SKOUFIS, THE ASSISTANT DIRECTOR-GENERAL FOR
ADMINISTRATION AT THE FAO, EXPRESSED HIS CONCERNS TO EMBOFF
ABOUT OUR POLICY ON THE REIMBURSEMENT OF U.S. INCOME TAXES
PAID BY AMERICAN EMPLOYEES OF INTERNATIONAL ORGANIZATIONS.
REFTELS CITE SIMILAR CONCERNS.

2. IN THE PAST THIS HAS NOT BEEN A MAJOR PROBLEM BECAUSE, WITH
THE \$25,000 FOREIGN EARNED INCOME EXEMPTION, NOT TOO MANY
INTERNATIONAL CIVIL SERVANTS WERE INVOLVED. NOW, WITH HIGHER
SALARIES AND THE ENDING OF THE EXEMPTION, THE U.S. REIMBURSEMENT
PROCEDURES BECOME CUMBERSOME AND EXPENSIVE. THE FAO MAY
WELL HAVE TO PUT 2-3 PEOPLE WORKING ON THIS MATTER ALONE AND
OTHER MEMBER STATES COULD OBJECT. SKOUFIS IS CONSIDERING WAYS
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ROME 11327 121454Z

OF SIMPLIFYING THE PROCEDURE AND WOULD APPRECIATE ANY VIEWS
FROM THE USG.

3. FOR SPECIAL TRUST FUNDS ADMINISTERED BY THE FAO, A GROWING
WAY OF DOING BUSINESS AT THE FAO, SKOUFIS UNDERSTANDS THERE
IS NO WAY THE U.S. TAX REIMBURSEMENT CAN BE CHARGED TO THE
REGULAR PROGRAM BUDGET. HOWEVER, THE EFFECT OF THIS IS THAT U.S.

CITIZENS WILL NOT BE EMPLOYED BY THESE TRUST FUNDS BECAUSE
THIRD-COUNTRY DONORS DO NOT WISH TO SEEM SUMS TO REIMBURSE
USG TAXES SPECIALLY TAKEN OFF THE TOP OF THEIR GIFTS TO SUCH
TRUST FUNDS.

4. THE FINAL PROBLEM IS THE U.S. TAX ON LUMP-SUM RETIREMENT
BENEFITS. IN THESE CASES THE U.S. CITIZENS ARE AT A DISADVANTAGE
OVER OTHER THIRD-COUNTRY NATIONALS WHO ARE NOT TAXED ON THE LUMP-
SUM PAYMENT.GARDNER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INTERNATIONAL ORGANIZATIONS, TAX AGREEMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 12-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977ROME11327
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770247-1068
Format: TEL
From: ROME
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770767/aaaacfsi.tel
Line Count: 71
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 8103e76c-c288-dd11-92da-001cc4696bcc
Office: ACTION IO
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 STATE 100078, 77 LONDON 6877, 77 STATE 154600
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 10-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1888480
Secure: OPEN
Status: NATIVE
Subject: US AGREEMENTS WITH UN SYSTEM ORGANIZATIONS RE REIMBURSEMENT OF US INCOME TAX
TAGS: ETEL, AORG, PORG, US, ITU, UN, IMCO, FAO, ICO
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/8103e76c-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009